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News Release

FOR IMMEDIATE RELEASE
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Burnsville man indicted for securities fraud

A 55-year-old Burnsville man, who represented himself as the president of EPCOM Wireless Corp., was indicted Nov. 9 by a federal grand jury on 15 counts of securities and mail fraud.

Eldon Phillip Anderson was charged with seven counts of securities fraud and eight counts of mail fraud in connection with a scheme to defraud people by inducing them to invest in false securities and investments of more than $1 million.

Anderson's indictment alleges that he represented that EPCOM was a venture involving the development of a wireless telecommunications network in rural areas of Minnesota and the upper Midwest. Anderson allegedly claimed that the venture was nearing completion, that the company was "going public," and that investors could net a return of approximately 2,500 percent.

From 2000 through October 2007, the indictment alleges that Anderson fraudulently offered for sale unregistered securities for EPCOM and a bottled water business that he was also involved in to people in Minnesota and North Dakota. However, Anderson had not registered the securities with either state, and he also offered and sold the securities without obtaining the required licenses.

The indictment alleges that Anderson knew his investment opportunities were securities because on March 23, 2000, and then again on Oct. 6, 2006, the Minnesota Department of Commerce issued consent cease and desist orders with Anderson and EPCOM. On Jan. 20, 2003, the North Dakota Department of Securities issued a cease and desist order against Anderson and EPCOM. These orders prohibited Anderson and EPCOM from offering or selling any unregistered securities without a license.

Anderson allegedly contacted investors by telephone, e-mail and in person, for the purpose of inducing them to invest in securities. He fraudulently promised a return on the person's investment would be made within 90 days. Anderson then allegedly diverted the investors' funds to his personal account, and used the money to purchase homes, pay college tuition, buy cars and travel.

The indictment alleges that Anderson omitted crucial facts, such as he was not licensed to sell securities, or that the securities had not been properly registered with state regulatory agencies. When some investors requested the return of their investments, Anderson allegedly told them the money was not available for various reasons, and failed to return money to investors causing them economic harm.

If convicted, Anderson faces a potential maximum penalty of 175 years in prison. All sentences are determined by a federal district court judge. This case is the result of an investigation by the United States Postal Inspection Service, and is being prosecuted by Assistant U.S. Attorney John R. Marti.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.